

Joint IPE auction implementation and results

- On **18th September**, the **third joint auction of electricity interconnection capacity between Spain and Portugal** took place under a mechanism established in the MIBEL Council of Regulators (CR MIBEL).
- Under the **legal framework for electricity interconnection management in each country**, the national regulatory authorities of Spain (CNMC) and Portugal (ERSE) are responsible for setting the harmonized and coordinated auction and also to confirm the auction results.
- The auction took place in the derivatives market platform managed by **OMIP** and the clearing is ensured by **OMIClear** clearing house under the specific rules registered by **the Portuguese Securities Commission (CMVM)**.

Joint IPE auction implementation and results

- The **product auctioned was FTR options** (allowing market participants to hedge price spreads between the two price areas of MIBEL - Portugal and Spain), with the following auctioned contracts:
 - ✓ Quarterly baseload Contracts:
 - 1) Flow from Spain to Portugal: **300 MW** for the **4th Quarter 2014**;
 - 2) Flow from Portugal to Spain: **300 MW** for the **4th Quarter 2014**.
 - ✓ Annually baseload Contracts:
 - 1) Flow from Spain to Portugal: **100 MW** for the **Year 2015**;
 - 2) Flow from Portugal to Spain: **100 MW** for the **Year 2015**.

Joint IPE auction implementation and results

- The **primary issuers in the auction** were the TSOs from Spain (REE) and Portugal (REN), each one with **50% of the total auctioned capacity in each interconnection flow** (150 MW for the quarterly baseload contracts and 50 MW for the annually baseload contracts).
- **11 market participants** inserted bids during the auction:
 - ✓ Quarterly baseload Contracts:
 - 1) Flow from Portugal to Spain (FTR E-P): **8 of those were assigned FTR contracts;**
 - 2) Flow from Spain to Portugal (FTR P-E): **7 of those were assigned FTR contracts.**
 - ✓ Annually baseload Contracts:
 - 1) Flow from Portugal to Spain (FTR E-P): **7 of those were assigned FTR contracts;**
 - 2) Flow from Spain to Portugal (FTR P-E): **6 of those were assigned FTR contracts.**

Joint IPE auction implementation and results

- The results of the auction was:
 - ✓ Quarterly baseload Contracts:
 - 1) Flow from Portugal to Spain (FTR E-P): **100% of capacity rights auctioned were assigned**, at a price of **0,07 €/MW**;
 - 2) Flow from Spain to Portugal (FTR P-E): **100% of capacity rights auctioned were assigned** at a price of **0,11 €/MW**.
 - ✓ Annually baseload Contracts:
 - 1) Flow from Portugal to Spain (FTR E-P): **100% of capacity rights auctioned were assigned**, at a price of **0,10 €/MW**;
 - 2) Flow from Spain to Portugal (FTR P-E): **100% of capacity rights auctioned were assigned** at a price of **0,10 €/MW**.